

**UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.<sup>1</sup>

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**NOTICE OF IMPASSE REGARDING  
PROOFS OF CLAIM NOS. 11497 AND 11790**

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To the Honorable United States District Judge Laura Taylor Swain:

1. On April 1, 2020, this Court entered the *Order (A) Authorizing Alternative Dispute Resolution Procedures, (B) Approving Additional Form of Notice, and (C) Granting Related Relief* [ECF No. 12576] (the “ADR Order”). The ADR Order authorized the Commonwealth of Puerto Rico (the “Commonwealth”), the Puerto Rico Highways and

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (“Commonwealth”) (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17- BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA,” and together with the Commonwealth, COFINA, HTA, ERS, and PREPA, the “Debtors”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Transportation Authority (“HTA”), the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”), the Puerto Rico Electric Power Authority (“PREPA”), and the Puerto Rico Public Buildings Authority (“PBA,” and together with the Commonwealth, HTA, ERS, and PREPA, the “Debtors”) to resolve general unsecured claims using the procedures approved by the court in the ADR Order [ECF No. 12576-1] (“ADR Procedures”).

2. Pursuant to the ADR Order, the Debtors transferred Proofs of Claim Nos. 11497 and 11790 (the “Claims”) against PREPA into the ADR Procedures through the *Fifteenth Notice of Transfer of Claims to Alternative Dispute Resolution* [ECF No. 17832], filed on August 13, 2021.

3. In accordance with the Offer Exchange Procedures,<sup>2</sup> PREPA served upon the claimants associated with the Claims ADR Notices<sup>3</sup> containing confidential offers of settlement (the “Offers”). The ADR Notices permitted claimants to designate whether claimants accepted the Offers, rejected the Offers, or submitted counteroffers.

4. Claimants returned the ADR Notices indicating claimants rejected the Offers (the “Rejections”).

5. In compliance with the ADR Procedures, PREPA submits this *Notice of Impasse Regarding Proofs of Claim Nos. 11497 and 11790* to notify the Court that PREPA’s Offers have been rejected. Since receiving the Rejections, counsel for PREPA has communicated with counsel for Claimants to determine whether the parties may be able to resolve the Claims without the need

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<sup>2</sup> “Offer Exchange Procedures” refers to Section 2 of the ADR Procedures.

<sup>3</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the ADR Procedures.

for Evaluative Mediation.<sup>4</sup> PREPA understands that the parties would benefit from additional time to pursue these discussions prior to engaging in Evaluative Mediation.

6. Accordingly, PREPA proposes to file a status report within fourteen (14) days, on or before Monday, February 28, 2022, notifying the Court of the status of the parties' discussions and whether the parties have reached an impasse that requires Evaluative Mediation.

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<sup>4</sup> "Evaluative Mediation" refers to Section 4 of the ADR Procedures.

Dated: February 14, 2022  
San Juan, Puerto Rico

Respectfully submitted,

/s/ Ehud Barak

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